



## DEPARTMENT OF VETERANS AFFAIRS

In Reply Refer To:

File No./SSAN:

VA Loan No.:

We have written to you on several occasions about your debt of \$ . This amount consists of \$ principal, \$ interest, and \$ administrative cost of collection fees. It is now urgent that you contact this office immediately regarding settlement of the debt. You may contact us at between 8:00 a.m. to 4:30 p.m. Monday through Friday.

We have authority to accept a lesser amount in full settlement of your debt. Careful consideration will be given to an offer of any reasonable amount in relation to your financial status. A compromise offer will not be considered unless accompanied by a properly completed VA Form 20-5655, Financial Status Report. VA Form 20-5655 is enclosed for this purpose along with a self-addressed envelope.

**INVOLUNTARY COLLECTION:** The Department of Veterans Affairs (VA) is required under 31 U.S.C., chapter 37, subchapter II, to collect debts owed to the government. Since your debt is over 60 days old, unless action is taken to satisfy this debt within 30 days your debt may be referred for involuntary collection action. This means any current or future federal salary, lump sum or retirement payments, insurance dividends, or other payments that are made to you under any law administered by VA may be withheld to pay your delinquent debt. Your debt may be referred to the Department of Treasury for collection and/or administrative offset. **Please read the attachment for specific details regarding this process as well as the rights you have under this process.** Any of these actions may result in processing fees being charged to you. Payment checks that are canceled because they have not been cashed within one year may be applied to offset the indebtedness and not be reissued. Other involuntary collection actions may include the reporting of your delinquent account to credit reporting agencies 60 days from the date of this letter.

Your debt may be referred to our VA Regional Counsel for appropriate legal action within 30 days from the date of this letter. Unless, you take action to pay your debt in full, make satisfactory arrangements to pay by installments or submit a reasonable compromise offer, prior to the expiration of the 30 days. This referral will result in a one-time administrative charge to you of \$ . This charge is in addition to the monthly administrative charge of \$ . The VA Regional Counsel has the authority to initiate legal proceeding against you. Court action may result in the addition of U.S. Marshal fees and court costs to your debt.

Please make your check or money order payable to the Department of Veterans Affairs and return it to the above address along with the bottom portion of this letter. Please include your full name and file number on your check or money order to insure proper credit. In the event you are unable to pay in full immediately, you should contact this office, preferably by telephone, to inform me of your intentions for settlement. Otherwise, any or all of the above actions may be taken to collect your debt.

Finance Officer

Enclosures

**FOR PROPER CREDIT TO YOUR ACCOUNT, PLEASE DETACH AND RETURN WITH YOUR PAYMENT**

PAYMENT REMITTANCE				
*FILE NO./SSAN	VA LOAN NO.	NAME OF DEBTOR	AMOUNT ENCLOSED \$	YOUR TELEPHONE NO. (Include Area Code)
ENTER YOUR CURRENT ADDRESS BELOW ONLY IF THE ONE ABOVE IS INCORRECT. PLEASE INCLUDE YOUR ZIP CODE.				
*Please include this number on your check or money order.				

## ATTACHMENT TO DEBT NOTIFICATION

**This is additional information for you about the possible referral of debts to the Department of Treasury.**

If we do not hear from you, we will report your debt to the U.S. Department of the Treasury for cross servicing and/or the Treasury Offset Program (TOP). Additionally, you will be responsible for any and all fees associated with cross servicing and the offset program.

Once your debt is submitted for cross-servicing, the U.S. Department of Treasury may refer your debt to a private collection agency for collection action, report your debt to a credit bureau and if the debt is written off, report it to IRS as potential taxable income.

If your debt is submitted to the TOP, the U.S. Department of Treasury will reduce or withhold any of your eligible Federal payments by the amount of your debt. The Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996 authorize this process, known as offset. Federal payments eligible for offset include:

- Your income tax refunds
- Your Federal salary pay, including military pay
- Your Federal retirement, including military retirement pay
- Your contractor/vendor payments
- Certain Federal benefit payments, such as Social Security (other than Supplemental Security Income (SSI)), Railroad Retirement (other than tier 2), and Black Lung (part B) benefits
- Other Federal payments, including certain loans to you, that are not exempt from offset

If you have filed for bankruptcy and the automatic stay is in effect, you must notify us within 30 days to prevent this debt from being reported to the Treasury Department. You should send us proof of your bankruptcy. If you file a joint federal income tax return, you should obtain IRS Form 8379, Injured Spouse Claim and Allocation, **BEFORE** filing your return. The instructions will explain the steps your spouse may take to obtain his/her share of your joint income tax refund.

If you are or become a Federal Employee, your current net disposable pay is subject to offset if you do not pay your debt or take other action as described on the previous page. Under the TOP, the U.S. Treasury will deduct up to 15% of your disposable pay, beginning in the pay period that your debt is submitted to the TOP. This deduction will continue every pay period until your debt, including interest, penalties and other costs, is paid in full.

You are entitled to a hearing to dispute the amount of the payroll deduction. To request a hearing, you must file a written request for a hearing no later than 15 days from the date of this letter to prevent referral of your debt to the Treasury Department.